UNITED NATIONS

General Assembly

FORTY-SIXTH SESSION

Official Records

FIFTH COMMITTEE
14th meeting
held on
Friday, 25 October 1990
at 3 p.m.
New York

SUMMARY RECORD OF THE 14th MEETING

Chairman: Mr. MUNTASSER (Libyan Arab Jamahiriya)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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Distr. GENERAL
A/C.5/46/SR.14
31 October 1991

ORIGINAL: ENGLISH

91-56810 5031S (E)

The meeting was called to order at 3.25 p.m.

AGENDA ITEM 107: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993 (continued) (A/46/6/Rev.1, A/46/7)

AGENDA ITEM 108: PROGRAMME PLANNING (continued) (A/46/16 and Add.1, A/46/173 and A/46/330)

General debate (continued)

1. Mr. LAVROV (Union of Soviet Socialist Republics) said that the Committee faced a great political responsibility at a time when the United Nations was being transformed from a forum for propaganda and confrontation into a focal point for the development of a genuinely global policy and a multilateral framework for a new world order. That process required not only political will on the part of all Member States, but also a dramatic improvement in the Organization's efficiency and a truly rational use of its resources. Since such resources were limited, the political future of the United Nations and the extent of the support that Member States were prepared to give the Organization depended to a large extent on the professional work of the Committee.

2. Unfortunately, the new budget procedure had still not achieved some of its major objectives, for instance, to ensure the predictability of the Organization's expenditures and to give Member States a decisive political role in determining generally acceptable levels of expenditure from the outset. Urgent steps must therefore be taken to put every component of the new budgetary procedure into practice. His delegation was adamant that the budget could not exceed the level set in the outline, which represented an absolute ceiling for proposed expenditures. It was on the basis of a projected real growth rate of zero per cent that his delegation had approved the outline. For that reason, it could not agree to the real growth rate of 0.9 per cent projected in the proposed programme budget for the biennium 1992-1993. Moreover, experience suggested that the proposed contingency fund of $3 million was too small.

3. The proposed budget should be drastically reduced to ensure zero real growth, although that was not an end in itself. What was needed was to find practical ways of making optimum use of human and material resources by ensuring maximum efficiency throughout the Secretariat. There was every possibility of achieving that goal because the massive introduction of advanced technology should result in increased productivity, efficiency and cost-effectiveness and permit the redeployment of staff. In the circumstances, the request for 81 new posts in the existing staffing table was inexplicable and ran counter to recommendation 15 of the Group of 18. The situation was even harder to understand in the light of the Secretariat's simultaneous efforts to have extrabudgetary posts financed out of the regular budget.

(Mr. Lavrov, USSR)

4. At a time of rapid change, when the Organization must develop more dynamism, constant redeployment of personnel should be part and parcel of its activities. A model basis for such redeployment had been established in 1986 with the introduction of the vacancy management system, which had been generally successful when personnel cuts were being made. That system should be consolidated and refined. His delegation could not agree that the time for reform and reductions in the staffing table was over, still less that the former intradepartmental system of promotion should be revived. It was time to make more radical changes in the Secretariat's personnel structure. There should be open competition for all vacant posts and "dead wood" should be eliminated through the introduction of the new performance-evaluation system recommended five years previously. Such measures should already have been taken. The need to discontinue obsolete programmes had long been discussed, but no real progress had yet been made. That was where the Organization could find the vast pool of resources that it needed so much.

5. His delegation was prepared to support the recommendations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which requested a reasonable compromise although the reductions proposed were very modest. In fact, it would not be able to agree to the proposed programme budget unless those recommendations were adopted. Even then, the proposed budget would still contain enough hidden reserves to allow the Secretariat some flexibility in allocating resources.

6. There was an urgent need to deal with the shortcomings in budget methodology and it would be helpful to clarify the subject of recurrent and non-recurrent costs, as well as the methodology for calculating real budget growth rates. His delegation supported the proposal of the Committee for Programme and Coordination (CPC) regarding the convening of a seminar on the new methodology, not as an academic exercise but to examine the specific problems encountered in preparing the budget and to make practical recommendations and proposals for their solution. It also shared the concern which had been expressed concerning the establishment of a proper balance between regular budget and extrabudgetary resources. There was a need for more stringent control by legislative bodies and for clear principles and criteria governing the reimbursement of support costs paid out of the regular budget.

7. Mrs. GOICOCHEA ESTENOZ (Cuba) said that her delegation, in common with many others, was concerned over the Organization's financial crisis. In that connection a distinction must be drawn between those States which withheld payment for political reasons and those developing countries which faced financial difficulties.

8. While she welcomed the improvements in the budget format, in particular the closer linkage between budget sections and programmes under the medium-term plan, she endorsed the comments of CPC concerning the deficiencies that remained in the format. She noted the regrouping of the Organization's activities into eight categories (A/46/6/Rev.1, Vol. I, para. 12), but was

(Mrs. Goicochea Estenoz, Cuba)

unclear as to the rationale for the new structure. She endorsed the comments of CPC concerning the relationship of the outline to the programme budget. She also welcomed the proposal regarding the convening of an ad hoc technical seminar on budget methodology and hoped that its recommendations would be submitted at the forty-seventh session. The current methodology could hinder assessment of change under various sections. For example, it was possible to calculate growth under section 28 in different ways; that raised questions concerning the calculation of the maintenance base and the budget appropriations. Her delegation did not, however, favour any change at the forty-seventh session in the Regulations and Rules Governing Programme Planning. The General Assembly, in resolution 45/253, had reaffirmed that the medium-term plan was the principal policy directive of the Organization and that it should serve as a framework for the formulation of programme budgets. Pursuant to that resolution, it was for Member States alone to decide on changes in the programme budget and to evaluate programme implementation.

9. Her delegation did not object to the growth in the proposed budget, since no decision had been adopted by the General Assembly stipulating that there should be zero growth. On the other hand, the distribution of resources among the budget sections was disquieting, in that the allocation of resouces did not reflect the five priorities identified by the General Assembly at the forty-fifth session. Her delegation sought an explanation of the apparent discrepancy.

10. She noted that the budget proposals contained requests for a number of new posts, including the conversion to permanent posts of temporary posts approved at the forty-fifth session, although no rationale had been provided. Similarly, various reclassifications had been proposed; her delegation was concerned by the possible impact on promotion and by an apparent reallocation of posts among budget sections.

11. She noted the Advisory Committee's recommendations for a reduction of some $43.4 million in the Secretary-General's proposals, and welcomed the proposed exclusion of the regional commissions from that reduction. Her delegation did not identify efficiency with budget reductions, but rather, with the Organization's ability to meet the needs of Member States as expressed in the various decisions of the General Assembly. The role of extrabudgetary resources gave cause for concern, particularly in terms of the disproportionate reliance on such resources under some sections.

12. Her delegation was prepared to participate constructively in negotiations to achieve a consensus on the budget proposals. Consensus had, however, been made more difficult by a failure to comply with General Assembly resolution 45/253, in particular with regard to consideration by the competent intergovernmental bodies of issues relating to peace-making. The seemingly arbitrary way in which resources had been allocated among various sections, notwithstanding established priorities, would also make it more difficult to achieve a consensus. The quest for greater efficiency within the Organization had begun in the administrative and budgetary areas. Appropriate corrective

(Mrs. Goicochea Estenoz, Cuba)

action should now be taken to facilitate the negotiating process so that the budget could be approved on the basis of the broadest possible agreement.

13. Mr. CHAVUNDUKA (Zimbabwe) said that the budget estimates indicated the requirements of the Organization if it was to implement the programmes decided upon by Member States. Sufficient resources should be allocated to ensure that no programme would suffer as a result of inadequate staffing.

14. On the question of budget growth, his delegation expected all General Assembly resolutions to be implemented in full. The budget could not, therefore, have a particular ceiling independent of actual requirements for programme implementation, as suggested by the concept of zero growth. If programme requirements dictated an increase in resources, as was the situation in the forthcoming biennium, that fact must be acknowledged. Failure to be realistic would have an adverse impact on the Organization's reputation at a time when its stature was growing. In that connection, he concurred with the Advisory Committee that the budget outline was not an absolute ceiling but, rather, a preliminary indication of resources.

15. In view of the priority issues identified by the General Assembly, the real growth in the budget was modest. The allocation of resources did not, however, fully reflect those priorities. For example, a number of development programmes had low, or even negative, growth rates. The priority status accorded to development issues must be matched by an increase in resources.

16. His delegation supported the CPC recommendations concerning subsection 11.A (Office of the Director-General for Development and International Economic Cooperation) and had taken note of the very modest growth rates under Part V (Regional Cooperation for Development). He appreciated the problems faced by the regional commissions, notably the Economic Commission for Africa (ECA), in implementing their programmes, which had resulted in unutilized resources at the end of a biennium, and trusted that the actual needs of the commissions would continue to be taken into account. He agreed with CPC that there was a need to ensure the predictability, adequacy and timeliness of extrabudgetary resources available to ECA (A/46/16, para. 313). The United Nations would play a critical role in underpinning the success of the newly established African Economic Community and ECA and other bodies should be given the capacity to help Africa in its development efforts. He noted the comments that had been made concerning the Trust Fund for Namibia, and looked forward to the successful completion of the scholarship programme for Namibian students.

17. The CPC recommendation for an ad hoc technical seminar to consider budget methodology merited support. It was imperative that efforts to ensure cost-effectiveness and efficiency should continue. Priority programmes must not, however, be compromised.

18. The secure financial basis needed for programme implementation could be ensured only if Member States paid their assessed contributions on time and in

(Mr. Chavunduka, Zimbabwe)

full. The worsening trend in the payment of contributions by Member States was cause for concern. His Government, for its part, would strive to honour its obligations.

19. Miss SHITAKHA (Kenya) said that her delegation wished to reaffirm its understanding that the budget outline represented no more than a preliminary estimate of resources and did not place absolute limits on the Secretary-General in preparing his programme budget proposals. It did not think a zero growth-rate budget feasible at a time when increasing demands were being placed upon the Organization and when it was expected to play a more dynamic role in the future.

20. With regard to the redeployment of resources, her delegation considered that the existing rules and regulations accorded the Organization ample flexibility. Any more flexibility, especially in respect of discretionary transfers of resources between sections, would be contrary to the Regulations and Rules Governing Programme Planning and would have a serious impact on the mandates of intergovernmental organs. Her delegation could not agree to resources being redeployed away from activities deemed obsolete to areas where they would have maximum impact without the necessary legislative mandate, because intergovernmental bodies were in the best position to identify which activities were unnecessary. It rejected the idea that, because resources had maximum impact in certain areas, those areas were more relevant than others, and was concerned lest the desire for efficiency and effectiveness be replaced by expediency. It was, however, willing to cooperate constructively in any exercise aimed at identifying the current needs of Member States and deleting unnecessary activities. It agreed that the Secretary-General had an essential role to play and would have welcomed a list of activities in the proposed programme budget which might have been considered for modification or termination.

21. On the related issue of the non-redeployment of posts between sections of the budget, the comments in the budget on the proposed staffing table were as confusing as the explanations which had been offered by the Secretariat. Her delegation would, however, accept the recommendations of ACABQ in principle, on the understanding that the Secretariat would have adequate resources to meet the demands placed upon it, particularly under those sections which had been designated priority areas. It also agreed with the representative of Ghana on the need for uniformity in the classification of posts throughout the Secretariat on the basis of work-load standards.

22. On the question of budget resources, her delegation had taken note of the Secretary-General's comments and of the recommendations of ACABQ. However, in view of its desire to ensure the implementation of mandated activities, especially in priority areas to which it attached particular importance, it would reserve its comments until the budget was considered section by section. It had also taken note of the comments of other delegations regarding increased resource requirements in non-priority sections of the budget. Her delegation would view proposals for such increases on their

(Miss Shitakha, Kenya)

merits, but would also like to remind the Secretary-General to provide all intergovernmental bodies with the required information regarding procedures for administrative and budgetary matters, as required by paragraph 4 of resolution 45/248 B, section VI.

23. With regard to extrabudgetary resources, her delegation was concerned at the Organization's reliance on such funding for certain activities which were of great importance to developing countries. A particular concern was the proliferation of trust funds, which appeared to be a law unto themselves. Her delegation regretted that the Secretary-General's report on extrabudgetary resources had not been available for consideration by ACABQ and hoped that every effort would be made to standardize the control and management of extrabudgetary resources, in particular trust funds, in the future.

24. Commenting on the financial crisis facing the Organization, she said that the serious financial and economic crises confronting developing countries had affected their ability to meet their obligations. Kenya had, however, made some progress in that respect in the past year and remained committed to meeting its obligations to the best of its ability. It hoped that Member States which had withheld their contributions for reasons other than economic necessity would show a similar commitment.

ORGANIZATION OF WORK

25. The CHAIRMAN said that he had received a communication from the President of the Staff Committee of the United Nations Staff Council requesting permission to make an oral presentation to the Fifth Committee in connection with agenda item 115, and a letter from the General Secretary of the Federation of International Civil Servants' Associations requesting permission to make an oral presentation in connection with agenda item 116. Those requests were made pursuant to the provisions of General Assembly resolution 35/213. He had also received a communication from the President of the Coordinating Committee for Independent Staff Unions and Associations of the United Nations system requesting permission to present a document and make an oral presentation in connection with agenda item 116. If he heard no objection, he would take it that the Committee wished to approve those requests.

26. It was so decided.

The meeting rose at 4.35 p.m.